Postal Regulatory Commission Submitted 2/22/2012 3:37:50 PM Filing ID: 80651

Filing ID: 80651 Accepted 2/22/2012

BEFORE THE A POSTAL REGULATORY COMMISSION WASHINGTON, D.C. 20268-0001

In the Matter of:

Bovill Post Office
Bovill, Idaho 83806

Docket No. A2012-109

UNITED STATES POSTAL SERVICE <u>COMMENTS REGARDING APPEAL</u> (February 22, 2012)

On December 28, 2011, the Postal Regulatory Commission (Commission) received an appeal postmarked, December 14, 2011, from Pastor Jamie Fiorino (Petitioner Fiorino), objecting to the discontinuance of the Post Office at Bovill, Idaho. Subsequently, on January 10, 2012, the Commission received two more appeals from postal customers, Diane L. Holt (Petitioner Holt) and Manley and Karen Waldron (Petitioner Waldron). In accordance with 39 CFR § 3001.113 (a) (requiring the filing of the record within 15 days of the filing of the petition with the Commission), the administrative record was filed with the Commission on January 12, 2012. On January 19, 2012, the Commission issued Order No. 1148, its Notice and Order Accepting Appeal and Establishing Procedural Schedule under 39 U.S.C. § 404(d). The following is the Postal Service's answering brief in support of its decision to discontinue the Bovill Post Office.

The appeals received by the Commission raise three main issues: (1) the effect on postal services, (2) the impact upon the Bovill community, and (3) the calculation of economic savings expected to result from discontinuing the Bovill Post Office. As reflected in the administrative record of this proceeding, the Postal Service gave these

¹ This discontinuance was conducted pursuant to Handbook PO-101, dated August 2004, and updated with Postal Bulletin revisions through August 2, 2007.

issues serious consideration. In addition, consistent with the Postal Service's statutory obligations and Commission precedent,² the Postal Service gave consideration to a number of other issues, including the impact upon postal employees. Accordingly, the determination to discontinue the Bovill Post Office should be affirmed.

Background

The Final Determination To Close the Bovill, ID Post Office and Extend Service by Rural Route Service ("Final Determination" or "FD"), as well as the administrative record, indicate that the Bovill Post Office provides EAS-11 level service to 142 Post Office Box and general delivery customers and retail customers, 38.75 hours per week. FD at 2; Item No. 18, (Form 4920) Post Office Closing or Consolidation Proposal Fact Sheet ("Fact Sheet"), at 1.3 The postmaster of the Bovill Post Office was promoted on April 22, 2010. Since the postmaster vacancy, an officer-in-charge (OIC) has been installed to operate the offices. Upon implementation of the Final Determination, the noncareer OIC may be separated from the Postal Service; however attempts will be made to reassign the employee to a nearby facility. The average number of daily retail window transactions at the Bovill Post Office is 7, accounting for 7 minutes of retail workload daily. Revenue is low: \$16,769.00 in FY 2008 (44 revenue units); \$13,000.00

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⁴ FD at 7.

² See 39 U.S.C. 404(d)(2)(A).

³ The Final Determination can be found at Item No. 47 in the Administrative Record. All citations to the Final Determination will be to "FD at____," Rather than to Item 47. The FD is not paginated however the Round-date cover sheets will serve as page number 1. Other Items in the administrative record are referred to as "Item No.__."

in FY 2009 (34 revenue units); and \$11,102.00 in FY 2010 (29 Revenue units).⁵ The Bovill Post Office has one permit customer.⁶

Upon implementation of the Final Determination, delivery and retail services will be provided by rural route delivery administered by the Deary Post Office, an EAS-13 level office located nine miles away, which has 13 available Post Office Boxes that are accessible 24 hours per day. Rural service will be provided to cluster box units (CBUs), which are free standing units of individually locked mail compartments installed and maintained by the Postal Service at no cost to the customer. FD at 2. A parcel locker may also be installed for convenient parcel delivery for customers. FD at 2.

The Postal Service gave notice of its intentions, which led to the posting of the Final Determination. All issues raised by the customers of the Bovill Post Office were considered and properly addressed by the Postal Service. The Postal Service furnished notice through postings. In addition to the posting of the Proposal and Final Determination, customers received notice through other means. Questionnaires were distributed to delivery customers of the Bovill Post Office. Questionnaires were also available over the counter for retail customers at Bovill. FD at 2; Item No. 20, Questionnaire Instruction Letter from P.O. Review Coordinator to OIC/Postmaster at Bovill Post Office, at 1. A letter from the Manager of Post Office Operations, Seattle, WA, was also made available to postal customers, which advised customers that the Postal Service was evaluating whether the continued operation of the Bovill Post Office was warranted, and that effective and regular service could be provided through rural

⁵FD at 2; Item No. 18, Fact Sheet, at 1.

FD at 2; Item No. 18, Fact Sheet, at 1.

⁷FD at 2: Item No. 18. Fact Sheet, at 1.

route delivery and retail services available at the Deary Post Office. The letter invited customers to complete and return a customer questionnaire and to express their opinions about the service they were receiving and the effects of a possible change involving rural route delivery. Item No. 21, Letter to Customer, at 1. The returned customer questionnaires and Postal Service response letters appear in the administrative record in Item No. 22. In addition, representatives from the Postal Service were available at the Bovill Elementary School for a community meeting on April 26, 2011, to answer questions and provide information to customers. FD at 2; Item No. 26, Community Meeting Letter, at 1; Item No. 24, Community Meeting Roster; Item No. 25, Community Meeting Analysis. Customers received formal notice of the Proposal and Final Determination through postings at the Bovill Post Office. The Proposal was posted with an invitation for public comment⁸ at the Bovill Post Office from May 31, 2011 to August 1, 2011. FD at 2. The Final Determination was posted at the Bovill starting on December 8, 2011 and the Deary Post Office staring January 12, 2012, as confirmed by the round-dated Final Determination cover sheet that appears in the administrative record.

In light of a postmaster vacancy, minimal workload, low office revenue,⁹ the variety of delivery and retail options (including the convenience of rural delivery and retail service),¹⁰ very little recent growth in the area,¹¹ minimal impact upon the

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⁸ A copy of the round-date stamped Invitation for Comments posted at the Bovill Post Office were not included in the Administrative Record filed on January 12, 2012. This document is being filed with the Commission under separate cover.

⁹ See note 5 and accompanying text,

¹⁰ FD at 2-5.

¹¹ Item No.16, Community Survey Sheet.

community, and the expected financial savings,¹² the Postal Service issued the Final Determination.¹³ Regular and effective postal services will continue to be provided to the Bovill community in a cost-effective manner upon implementation of the Final Determination. FD at 4; Item No. 33, Proposal, at 4; Item No.41, Revised Proposal, at 4.

Each of the issues raised by the Petitioners is addressed in the paragraphs which follow.

Effect on Postal Services

Consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iii) and as addressed throughout the administrative record, the Postal Service considered the effect of closing the Bovill Post Office on postal services provided to Bovill customers. The closing is premised upon providing regular and effective postal services to Bovill customers.

Petitioners raise the issue of the effect on postal services of the Bovill Post

Office's closing, noting the convenience of the Bovill Post Office and requesting its
retention. Specifically, Petitioners raise concern about sufficiency of alternative
services, traveling to another Post Office for service, and the impact on senior citizens.

Each of these concerns we considered by the Postal Service.

The sufficiency of alternative postal services was extensively considered by the Postal Service. FD at 2-6. The Postal Service is required to provide each community with regular and effective service, using the most cost efficient means possible. FD at 3. Upon implementation of the Final Determination, services provided at the Post Office,

¹² FD at 6-7.

¹³ FD at 2-8

such as the sale of stamps, envelopes, postal cards, and money orders, will be available from the carrier. FD at 3. Thus, for most services customers will not have to travel to another Post Office. FD at 5.

The Postal Service further explained that carrier service is especially beneficial to many senior citizens and those who face special challenges because the carrier can provide delivery and retail services to roadside mailboxes or CBUs located close to customer residences. FD at 3. Customers do not have to make a special trip to the Post Office for service and will have 24-hour access to their mail. FD at 4. Additionally, in hardship cases, delivery can be made to the home of the customer. FD at 3. In fact, most services do not require meeting the carrier at the mailbox. Stamps by Mail and Money Order Application forms are available for customer convenience. FD at 5.

The Stamps by Mail Program provides customers with the opportunity to purchase stamps, envelopes, and postal cards by Form 3227-R, Stamps Purchase Order Form (Rural), which is available from the Post Office or the carrier. FD at 4. Commemorative stamps and stamp collecting products are also available through this program. The customer addresses the postage paid order form envelope, encloses payment by personal check or postal money order made payable to the US Postal Service, and mails the form (postage-free) or leaves it in the mailbox for carrier pick-up. Most orders are processed overnight, and some immediately. FD at 4.

Money orders may also be purchased from the carrier to facilitate customer's bill paying needs. Customers may purchase money orders by meeting the carrier at the mailbox, completing an application, and paying the carrier (in cash) the price of the money order, plus the fee. FD at 4. The carrier gives the customer a receipt for the

application, completes the money order upon returning to the Post Office, and leaves a money order receipt in the customer's mailbox on the next delivery day. FD at 4. For more expedited service, most customers provide the carrier with a stamped, self-addressed envelope in which the completed money order is mailed to its destination. If customers prefer, money orders will be returned for verification on the next delivery day. FD at 4.

Petitioner Waldron raises concern about the need for senior citizens to travel to Moscow or the Deary Post Office to retrieve medicines that come in the mail. However, the Postal Service explained that rural carriers will delivery packages that fit in customer rural mailboxes, if the package does not fit in the mailbox, the carrier will deliver the package up to ½ mile off the line of travel, at a designated place, such as on a porch or under a carport. FD at 2. In addition, the carrier will accept any letters or packages for mailing. The carrier will estimate the cost and provide a receipt for any money received. On the following delivery day the carrier will provide change for the amount over the estimate. FD at 2.

Although the Petitioners do not raise concerns about mail security, the record explains that the Postal Service will furnish CBUs free of charge. FD at 2. CBUs provide the security of individually locked mail compartments. The Postal Service also sent a questionnaire to the Postal Inspection Service concerning mail theft and vandalism in the Post Office area. The records of that agency indicate that there has only been one report of mail theft or vandalism in the area. Item No. 14, Inspection

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¹⁴ Petitioner Fiorino requests that the Postal Service place an automated machine inside the Bovill Post office for customer shipping and purchasing needs. However, the carrier will provide package pickup and delivery services in addition to the other retail services previously mentioned.

Service/local law enforcement vandalism reports, at 1. As such, there appears to be minimal risk of mail theft or vandalism occasioned by the closing of the Bovill Post Office.

The Postal Service has considered the impact of closing the Bovill Post Office upon the provision of postal services to Bovill customers. Rural route delivery to CBUs installed on the carrier's line of travel provides similar access to retail service, alleviating the need to travel to the Post Office. FD at 5. Thus, the Postal Service has properly concluded that all Bovill customers will continue to receive regular and effective service via rural route delivery to CBUs installed on the carrier's line of travel.

Effect Upon the Bovill Community

The Postal Service is obligated to consider the effect of its decision to close the Bovill Post Office upon the Bovill community. 39 U.S.C. § 404(d)(2)(A)(i). While the primary purpose of the Postal Service is to provide postal services, the statute recognizes the substantial role in community affairs often played by local Post Offices, and requires consideration of that role whenever the Postal Service proposes to discontinue a Post Office.

Bovill is an incorporated rural community located in Latah County. ¹⁵ The Latah Police Department provides police protection. The community is administered politically by the City of Bovill, with fire protection provided by the Volunteer Fire Department. The questionnaires completed by Bovill customers indicate that, in general, the retirees, commuters, and others who reside in Bovill must travel elsewhere for other supplies and

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¹⁵ Petitioner Fiorino and Holt point out the inaccuracies in the record regarding the community description. Follow-up research does confirm the Petitioners' statements; Bovill is an incorporated town and the church is Presbyterian not Lutheran. However, such errors in the community descriptions do not have a material impact on the legal factors at issue in this appeal.

services. ¹⁶ See generally FD at 6; Item No. 22, Returned customer questionnaires and Postal Service response letters.

Petitioner Fiorino mentions that the Bovill Post Office is the "center of the day" and that it serves as a place of fellowship for members of the community. Upon closure of the Bovill Post Office residents may continue to meet informally, socialize, and share information at other business, churches, and residences in town. The Postal Service explained that a community's identity derives from the interest and vitality of its residents and their use of its name. FD at 3. The Postal Service is helping to preserve community identity by continuing the use of the Post Office name and Zip Code in addresses. FD at 3.

Petitioner Holt raises concern regarding the effect the closure will have on the business community. Petitioner Holt alleges that new businesses will not establish themselves in Bovill and that the community may lose their schools. Contrary to the Petitioner's assertions, there has been no indication that the business community has been adversely affected. Businesses generally require regular and effective postal services and these will continue to be provided to the Bovill community. FD at 7.

In addition, the Postal Service has concluded that nonpostal services provided by the Bovill Post Office can be provided by the Deary Post Office. FD at 7. Government forms usually provided by the Post Office are also available by contacting local government agencies. FD at 7.

¹⁶ Petitioner Holt also points out that the Bovill is a logging community and not a farming community. However, the record does not state that Bovill is a farming community. In fact, the record states that Bovill is "not [a] high production farm country, because it is too cold. Some grazing and pastures" FD at 6; Item No. 16, Community Survey Sheet, at 1. As mentioned in note 14, such errors in the community descriptions do not have a material impact on the legal factors at issue in this appeal.

Thus, the Postal Service has met its burden, as set forth in 39 U.S.C. § 404(d)(2)(A)(i), by considering the effect of closing the Bovill Post Office on the community served by the Bovill Post Office.

Economic Savings

Postal officials also properly considered the economic savings that would result from the proposed closing, as provided under 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service estimates that rural route carrier service would cost the Postal Service substantially less than maintaining the Bovill Post Office and would still provide regular and effective service. Item No. 21, Letter to Customer, at 1. The estimated annual savings associated with discontinuing the Bovill Post Office are \$28,270.00. FD at 7.

Economic factors are one of several factors that the Postal Service considered, and economic savings have been calculated as required for discontinuance studies, which is noted throughout the administrative record, consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iv). FD at 5.

Petitioners Fiorino and Holt suggest strategies for reducing costs in lieu of complete closure of the Bovill Post Office. These strategies include reducing the hours of operation and cutting the level of the office. The Postal Service has broad experience with similar options; however in this case, it has determined that carrier service to CBUs, coupled with service at the nearby Deary Post Office, is a more cost-effective solution than maintaining the Bovill Post postal facility and career position.

The Postal Service's estimates are supported by record evidence, in accordance with the Postal Service's statutory obligations. The Postal Service, therefore, has considered the economic savings to the Postal Service resulting from such a closing,

consistent with its statutory obligations and Commission precedent. <u>See</u> 39 U.S.C. § 404(d)(2)(A)(iv).

Effect on Employees

As documented in the record, the impact on postal employees is minimal. The postmaster was promoted on April 22, 2010. A noncareer employee was installed as the temporary officer-in-charge (OIC). The noncareer postmaster relief (PMR) serving as the OIC may be separated from the Postal Service, however attempts will be made to reassign the employee to a nearby facility. The record shows that no other employee would be affected by this closing. FD at 7; Item No. 15, Post Office Survey Sheet, at 1. Therefore, in making the determination, the Postal Service considered the effect of the closing on the employees at the Bovill Post Office, consistent with its statutory obligations. See 39 U.S.C. § 404(d)(2)(A)(ii).

Conclusion

As reflected throughout the administrative record, the Postal Service has followed the proper procedures and carefully considered the effect of closing the Bovill Post Office on the provision of postal services and on the Bovill community, as well as the economic savings that would result from the proposed closing, the effect on postal employees, and other factors, consistent with the mandate of 39 U.S.C. § 404(d)(2)(A).

After taking all factors into consideration, the Postal Service determined that the advantages of discontinuance outweigh the disadvantages. In addition, the Postal Service concluded that after the discontinuance, the Postal Service will continue to provide effective and regular service to Bovill customers. FD at 6. The Postal Service respectfully submits that this conclusion is consistent with and supported by the

administrative record and is in accord with the policies stated in 39 U.S.C. § 404(d)(2)(A). The Postal Service's decision to close the Bovill Post Office should, accordingly, be affirmed.

The Postal Service respectfully requests that the determination to close the Bovill Post Office be affirmed.

Respectfully submitted,

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